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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JAMES T. PANTTAJA, TIMOTHY J.O. CATLIN, CASSANDRA WEI-CHUN LEE, and FRED A. KILBY

Appeal 2009-000701
Application 09/932,588
Technology Center 3600

Decided:[1] June 25, 2009

Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and JOSEPH A. FISCHETTI, *Administrative Patent Judges.*

CRAWFORD, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

[1] The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

Appellants appeal under 35 U.S.C. § 134 (2002) from a final rejection of claims 1 to 8, 11 to 15 and 17 to 19. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellants invented a method for determining which awards to redeem including the step of determining encumbrance levels of allowed awards based on the types of allowed awards and the data in an encumbrance database (Specification 2).

Claim 1 under appeal reads as follows:

> 1. A method in a redemption system for determining which awards to redeem, the method comprising:
> maintaining an award history database that includes award transaction information that describes awards earned by a consumer and, for each earned award, the type of award;
> maintaining an encumbrance database that describes types of awards that cannot be redeemed at one or more suppliers;
> receiving a request to redeem an amount of the earned awards at a chosen supplier;
> determining allowed awards that can be redeemed with the chosen supplier;
> determining encumbrance levels of the allowed awards based on the types of allowed awards and the data in the encumbrance database; and
> determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Ikeda	US 5,937,391	Aug. 10, 1999

The Examiner rejected claims 1 to 5, 7, 8, 11 to 13, 15 and 17 to 19 under 35 U.S.C. § 102(e) as being anticipated by Ikeda.

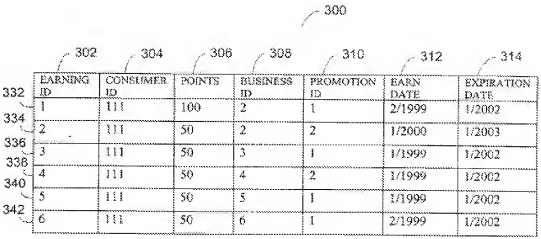
The Examiner rejected claims 6 and 14 under 35 U.S.C. § 103(a) as being unpatentable over Ikeda.

ISSUE

Have Appellants shown that the Examiner erred in finding that Ikeda discloses the step of determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels?

FINDINGS OF FACT

Appellants' Specification discloses a method in a redemption system for determining which awards to redeem. The method includes the step of determining which awards are available for redemption by determining awards earned by the consumer that have not yet expired. Appellants' method determines which available awards to redeem based on the encumbrance of the award. Figure 3 depicts a data structure for implementing the invention:

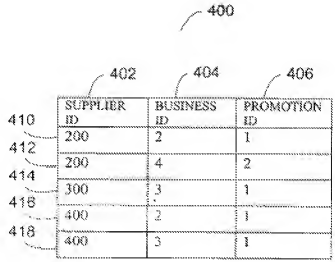


EARNING ID	CONSUMER ID	POINTS	BUSINESS ID	PROMOTION ID	EARN DATE	EXPIRATION DATE
1	111	100	2	1	2/1999	1/2002
2	111	50	2	2	1/2000	1/2003
3	111	50	3	1	1/1999	1/2002
4	111	50	4	2	1/1999	1/2002
5	111	50	5	1	1/1999	1/2002
6	111	50	6	1	2/1999	1/2002

FIG. 3

As shown in row 338 of Figure 3, 50 points are awarded to consumer 111 by business 4 for promotion 2. As shown in row 340 of Figure 3, 50 points are awarded to consumer 111 by business 5 for promotion 1.

Figure 4 shows the encumbrance database:



SUPPLIER ID	BUSINESS ID	PROMOTION ID
200	2	1
200	4	2
300	3	1
400	2	1
400	3	1

FIG. 4

According to Figure 4, the award for promotions 2 for business 4 are not available in connection with supplier 200. Thus the awards corresponding to row 338 are encumbered (Specification 11 The award for promotion 1 for business 5 is not included in the encumbrance database shown in Figure 4 and are not encumbered indicating that these awards are available with all suppliers.

Appellants do not define the phrase "encumbrance level" in the Specification.

Ikeda discloses a method for redemption of awards. Shops A to D and F to H participate in a points or awards program. Shop E does not participate in the points program and as such does not award points for shopping (col. 8, ll. 14 to 16). The points accumulated for a shop in which the customer makes new purchases are processed in redeeming points not points accumulated for other shops (col. 11, ll. 36 to 49).

PRINCIPLES OF LAW

An invention is not patentable under 35 U.S.C. § 103 if it is obvious. *KSR Int'l Co. v. Teleflex Inc.,* 550 U.S. 398, 427 (2007). The facts underlying an obviousness inquiry include: Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. In addressing the findings of fact, "[t]he combination of familiar elements according to known

methods is likely to be obvious when it does no more than yield predictable results." *KSR,* 550 U.S. at 416. As explained in *KSR*:

> If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill. *Sakraida and Anderson's-Black Rock* are illustrative-a court must ask whether the improvement is more than the predictable use of prior art elements according to their established functions.

KSR at 417.

A prior art reference is analyzed from the vantage point of all that it teaches one of ordinary skill in the art. *In re Lemelson*, 397 F.2d 1006, 1009 (1968)("The use of patents as references is not limited to what the patentees describe as their own inventions or to the problems with which they are concerned. They are part of the literature of the art, relevant for all they contain."). Furthermore, "[a] person of ordinary skill is also a person of ordinary creativity, not an automaton." *KSR* at 421.

On appeal, Applicants bear the burden of showing that the Examiner has not established a legally sufficient basis for combining the teachings of the prior art. Applicants may sustain its burden by showing that where the Examiner relies on a combination of disclosures, the Examiner failed to

provide sufficient evidence to show that one having ordinary skill in the art would have done what Applicants did. *United States v. Adams*, 383 U.S. 39, 52 (1966).

ANALYSIS

We are not persuaded of error on the part of the Examiner by Appellants' argument that Ikeda does not disclose the step of determining which of the allowed awards, having different encumbrance levels, to redeem based on the encumbrance levels. Appellant's Specification does not specifically define the phrase "encumbrance level." The Appellants have directed our attention to page 13, lines 11 to 12 of the Specification for a teaching that the encumbrance level is based on the restriction on redeeming the awards at certain suppliers (App. Br. 2). This portion of the Specification discloses that the encumbrance awards are measured in terms of restrictions on redeeming the awards at certain suppliers and that awards are encumbered if one or more suppliers will not accept them for redemption. There is no discussion regarding encumbrance levels. To the extent the word "level" implies a ranking, such can be based on alphanumeric character identifiers such as supplier names. There is no requirement in Appellants' disclosure that the level is required to be numeric. In Ikeda the awards differ in level at least as to which shop is involved. Thus, an award supplied only by shop A is only redeemable at shop A and thus we agree with the Examiner that shop A awards are a different type and level than awards supplied only by shop B. This interpretation is in accord with the actual recitations in claim 1 that the

encumbrance level is determined based on *types* of awards and data in the database. Therefore, we hold that Ikeda does disclose the step of determining which of the allowed awards having different encumbrance levels to redeem based on the encumbrance levels.

CONCLUSION OF LAW

On the record before us, Appellants have not shown that the Examiner erred in rejecting the claims on appeal.

DECISION

The decision of the Examiner is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

hh

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